



## CareTrust REIT Acquires Two Austin Skilled Nursing Facilities

August 2, 2021

SAN CLEMENTE, Calif., Aug. 02, 2021 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (Nasdaq: CTRE) today announced the acquisition of two skilled nursing facilities in the Austin, Texas metropolitan area. The 119-bed Sedona Trace Health & Wellness Center in Austin and the 122-bed Cedar Pointe Health & Wellness Center in Cedar Park will be operated by affiliates of The Ensign Group, Inc. (Nasdaq: ENSG), which took over operations effective August 1, 2021.

"We are elated to grow our relationship with Ensign not only because we enjoy over 3.0x EBITDAR lease coverage with them, but because we have seen firsthand their capability to create an unparalleled culture of patient care and quality outcomes and we are excited to see these facilities blossom under their stewardship," explained CareTrust's President and Chief Operating Officer, Dave Sedgwick.

Barry Port, Ensign's Chief Executive Officer, added, "We are again thrilled with our growing relationship with CareTrust and are excited to announce that, in connection with this transaction, CareTrust extended the applicable lease term by ten years. We continue to look forward to many more years of working together with CareTrust on these and future opportunities."

The two assets, which were both constructed in 2017, were purchased from the original developer in an off-market transaction for approximately \$32.5 million inclusive of transaction costs. At closing, the two properties were added to one of the eight existing staggered-term master lease pools between CareTrust and Ensign. Ensign made an upfront rent reduction payment of \$5.0 million at closing, and annual cash rent under the master lease was increased by approximately \$2.2 million, resulting in a first-year cash-on-cash yield to CareTrust of approximately 8.0%. The initial term of the amended master lease was simultaneously extended by ten years, for a remaining initial term of approximately 17 years, with three five-year renewal options and CPI-based annual rent escalators. The acquisition was funded using CareTrust's \$600 million unsecured revolving credit facility.

### **About CareTrust™**

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition, development and leasing of skilled nursing, seniors housing and other healthcare-related properties. With a nationwide portfolio of long-term net-leased properties, and a growing portfolio of quality operators leasing them, CareTrust REIT is pursuing both external and organic growth opportunities across the United States. More information about CareTrust REIT is available at [www.caretrustreit.com](http://www.caretrustreit.com).

### **About Ensign™**

The Ensign Group, Inc.'s independent operating subsidiaries provide a broad spectrum of skilled nursing and senior living services, physical, occupational and speech therapies and other rehabilitative and healthcare services at 242 healthcare facilities, in Arizona, California, Colorado, Idaho, Iowa, Kansas, Nebraska, Nevada, South Carolina, Texas, Utah, Washington and Wisconsin. More information about Ensign is available at <http://www.ensigngroup.net>.

### **Contact Information**

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